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Expires:	February 28, 2010
Estimated average burden hours per response.....	12.00

SEC FILE NUMBER

8-066978

**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/07 AND ENDING 12/31/07
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Plan B Investments, Inc.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

4444 Riverside Drive, Suite 105

(No. and Street)

Burbank,

California

91505

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Marty O'Malley

818-859-7300

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Joseph Yafeh, CPA

(Name - if individual, state last, first, middle name)

11300 West Olympic Blvd., Suite 875

Los Angeles, CA 90064

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant
☐ Public Accountant
☐ Accountant not resident in United States or any of its possessions.

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*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

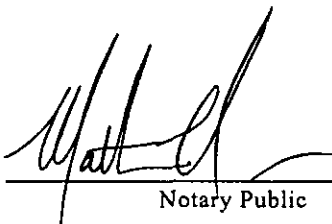
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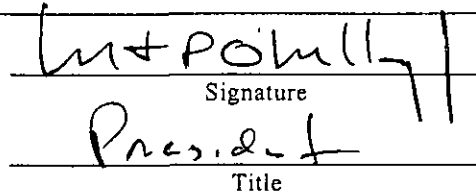
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OATH OR AFFIRMATION

I, Marty O'Malley, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Plan B Investments, Inc., as of December 31, 2007, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

None


Notary Public


Signature
President
Title



This report ** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of **Cash Flows**.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☒ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☒ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☒ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

****For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).**

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C.

ANNUAL AUDIT REPORT

DATE - DECEMBER 31, 2007

PLAN B INVESTMENTS, INC.
4444 W. Riverside Drive, Suite 105
Burbank, CA 91505

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Joseph Yafeh CPA, Inc.
A Professional Accounting Corporation
11300 W. Olympic Blvd., Suite 875
Los Angeles CA 90064
310-477-8150 ~ Fax 310-477-8152

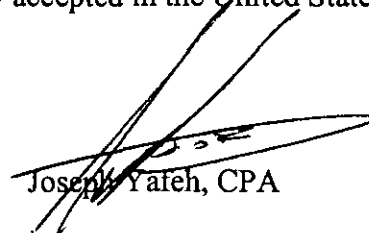
REPORT OF INDEPENDENT AUDITOR

Board of Directors
Plan B Investments, Inc.
Burbank, California

I have audited the accompanying statement of financial condition of Plan B Investments, Inc. as of December 31, 2007 and related statements of income, changes in shareholder's equity and cash flows for the year then ended. These financial statements are being filed pursuant to Rule 17a-5 of the Securities Exchange Act of 1934 and include the supplemental schedule of the net capital computation required by rule 15c3-1. These financial statements are the responsibility of Global-American Investments, Inc.'s management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, such financial statements referred to above present fairly, in all material respects, the financial condition of Plan B Investments, Inc. as of December 31, 2007 and the results of its operations, shareholder's equity and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



Joseph Yafeh, CPA

Los Angeles, California
February 12, 2008

PLAN B INVESTMENTS, INC.
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2007

Assets

Cash	\$ 36,889
Accounts receivable	15,609
Furniture and equipment, net	2,893
Deposit	<u>2,111</u>
 TOTAL ASSETS	 <u>\$ 57,502</u>

Liabilities and Shareholder's Equity

Liabilities	
Accounts payable	\$ 1,566
Accrued expenses	534
Credit cards payable	<u>572</u>
 Total liabilities	 <u>2,672</u>
Shareholder's equity	
Common stock -authorized, issued and outstanding 1,000 shares without value per share	 25,000
Retained earnings	<u>29,830</u>
 Total shareholder's equity	 <u>54,830</u>
 Total liabilities and shareholder's equity	 <u>\$ 57,502</u>

See Accompanying Notes to Financial Statements

PLAN B INVESTMENTS, INC.
STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2007

Revenues	
Commission income	\$ 59,315
RIA income	24,458
Other income	<u>40,397</u>
Total revenue	124,170
Expenses – Page 13	<u>98,150</u>
Net income before income tax provision	26,020
Income tax provision	<u>800</u>
Net income	<u>\$ 25,220</u>

See Accompanying Notes to Financial Statements

PLAN B INVESTMENTS, INC.
STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Common Stock</u>	<u>Paid-In Capital</u>	<u>Retained Earnings (Deficit)</u>	<u>Total Equity</u>
Balance, December 31, 2006	\$25,000	\$ 0	\$ 4,610	\$ 29,610
Net Income			25,220	25,220
	_____	_____	_____	_____
Balance, December 31, 2007	<u>\$25,000</u>	<u>\$ 0</u>	<u>\$ 29,830</u>	<u>\$ 54,830</u>

See Accompanying Notes to Financial Statements

PLAN B INVESTMENTS, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2007

Cash flows from operating activities:

Net income	\$ 25,220
Adjustments to reconcile net income (loss) to net cash provided by operating activities:	
Depreciation	2,407
Accounts receivable	(15,392)
Accounts payable and accrued expenses	1,658
Income taxes payable	(800)
Credit card payable	<u>572</u>

Net cash provided by operating activities 13,665

Cash flows from investing activities: 0

Cash flows from financing activities: 0

Net increase in cash 13,665

Cash at beginning of year 23,224

Cash at end of year \$ 36,889

Supplemental disclosure of cash flow information:

Cash paid during the year for:

Income taxes	<u>\$ 800</u>
Interest income	<u><u>\$ 0</u></u>

Supplemental disclosure of non cash activities:

During the period from inception to December 31, 2007, the sole shareholder contributed computers and furniture with the total fair market value of \$10,000 to the company in exchange for its ownership interest.

See Accompanying Notes to Financial Statements

PLAN B INVESTMENTS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 1 – GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

Plan B investments, Inc. (the “Company”) was incorporated in the State of California on September 23, 2004. On October 28, 2005, the Company became a registered broker-dealer in securities under the Securities Exchange Act of 1934, as amended, to provide investment advisory services, and to sell mutual funds, and variable annuities.

The Company became registered as a broker-dealer with the Securities and Exchange Commission (“SEC”) and is a member of the National Association of Securities Dealers (“NASD”). The NASD and NYSE Member Regulation consolidated in 2007 to form the Financial Industry Regulatory Agency (“FINRA”). The Company is headquartered in Burbank, California.

Summary of Significant Accounting Policies

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Securities transactions are recorded on a trade date basis with related commission income and expenses also recorded on a trade date basis.

Accounts receivable is stated at face value with no allowance for doubtful accounts. An allowance for doubtful accounts is not considered necessary because probably uncollectible accounts are immaterial.

Furniture and equipment are stated at cost. Repairs and maintenance to these assets are charged to expense as incurred; major improvements enhancing the function and/or useful life are capitalized. When items are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gains or losses arising from such transactions are recognized. Furniture and equipment are depreciated over their estimated useful lives of five (5) years. The Company uses the double declining method of depreciation.

Advertising costs are expensed as incurred. For the period ended December 31, 2007, the company charged \$3,867 to other operating expenses for advertising costs.

PLAN B INVESTMENTS, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2007

NOTE 1 – GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

The Company, with the consent of its Stockholders, has elected to be an S Corporation and accordingly has its income taxed under Section 1362 of the Internal Revenue Code, which provides that in lieu of corporate income taxes, the Stockholders are taxed on the Company's taxable income. Therefore, no provision or liability for Federal Income Taxes is included in these financial statements. The State of California has similar regulations, although there exists a provision for a minimum Franchise Tax and a tax rate of 1.5% over the minimum Franchise Fee of \$800.

The Company has elected to report the statement of changes in stockholders' equity without disclosing the accumulated adjustment account and other equity accounts pertinent to an S Corporation. There is no financial impact to these financial statements.

NOTE 2 – FURNITURE AND EQUIPMENT, NET

Furniture and equipment are recorded at cost and summarized by major classification as follows:

		Depreciable Life Years
Furniture & fixtures	\$ 5,667	5
Equipment	<u>5,000</u>	5
Subtotal	10,667	
Less: accumulated depreciation	<u>(7,775)</u>	
Furniture & equipment, net	<u>\$ 2,892</u>	

NOTE 3 – INCOME TAXES

As discussed in the Summary of Significant Accounting Policies (Note 1), the Company has elected the S Corporate tax status, therefore no federal income tax provision is provided. The tax provision of \$800 is the California Franchise Tax.

PLAN B INVESTMENTS, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2007

NOTE 4 – COMMITMENTS AND CONTINGENCIES

Commitments

The Company entered into a lease agreement for office space on September 6, 2006. The agreement commenced on October 1, 2006, and expires September 30, 2009. The agreement stipulates a yearly increase every January of a maximum of 5%.

Future minimum lease payments under the lease are as follows:

	Amount
2008	\$27,934
2009	21,998
2010 and thereafter	<u>--</u>
Total	\$49,932

Total rent expense for year 2007 was \$26,961.

The Company has subleased a portion of its facility beginning May 1, 2007 and terminating on May 1, 2008 for \$700 per month. In year 2007 the total rental income from subleasing was \$5,397.

NOTE 5 – CONCENTRATIONS OF CREDIT RISK

The Company is engaged in various trading and brokerage activities in which counterparties primarily include broker-dealers, banks, and other financial institutions. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty.

NOTE 6 – NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC rule 15c 3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1 and that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. See Page 10 for the calculation of net capital.

PLAN B INVESTMENTS, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2007

NOTE 7 – EXEMPTION FROM THE SEC RULE 15C-3

Plan B Investments, Inc. is an introducing broker-dealer that clears all transactions with and for customers on a fully disclosed basis with an independent securities clearing company and promptly transmits all customer funds and securities to the clearing company, which carries all of the accounts of such customers and maintains and preserves such books and records pertaining thereto pursuant to the requirements of the SEC Rule 17a-3 and 17a-4, as are customarily made and kept by a clearing broker or dealer.

Therefore, Plan B Investments, Inc. is exempt from provisions under the SEC Rule 15c3-3, Customer Protection – Reserves and Custody of Security under Rule 15c3-3 paragraph (K) (2) (ii).

In addition, the Company is exempt from the Possession or Control Requirements under Rule 15c3-3 paragraph (K) (2) (ii).

PLAN B INVESTMENTS, INC.
COMPUTATION OF NET CAPITAL REQUIREMENTS PURSUANT
TO RULE 15c3-1
DECEMBER 31, 2007

COMPUTATION OF NET CAPITAL

Total ownership equity from statement of financial condition	\$ 54,830
Less: Nonallowable assets	<u>5,004</u>
NET CAPITAL	<u>\$ 49,826</u>

COMPUTATION OF NET CAPITAL REQUIREMENTS

Minimum net aggregate indebtedness- 6-2/3% of net aggregate indebtedness	\$ <u>178</u>
Minimum dollar net capital required	\$ <u>5,000</u>
Net Capital required (greater of above amounts)	\$ <u>5,000</u>
EXCESS CAPITAL	<u>\$ 44,826</u>
Excess net capital at 1000% (net capital less 10% of aggregate indebtedness)	<u>\$ 49,559</u>

COMPUTATION OF AGGREGATE INDEBTEDNESS

Total liabilities	\$ <u>2,672</u>
Percentage of aggregate indebtedness to net capital	<u>5.4%</u>
Percentage of debt to debt-equity to total computed in accordance with Rule 15c 3-1(d)	<u>NA</u>

RECONCILIATION

Unaudited net capital	\$ 43,104
Income not reported	6,093
Unrecorded liabilities	(412)
Outstanding checks voided	690
Decrease in non allowable assets	<u>351</u>
Audited Net Capital	<u>\$ 49,826</u>

See Accompanying Notes to Financial Statements

PLAN B INVESTMENTS, INC.
COMPUTATION OF NET CAPITAL REQUIREMENTS PURSUANT
TO RULE 15c3-1
DECEMBER 31, 2007

Nonallowable Assets:

Furniture and equipment	\$ 2,893
Deposit	<u>2,111</u>
Total	<u>\$ 5,004</u>

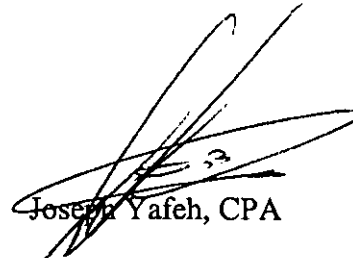
See Accompanying Notes to Financial Statements

Joseph Yafeh CPA, Inc.
A Professional Accounting Corporation
11300 W. Olympic Blvd., Suite 875
Los Angeles CA 90064
310-477-8150 ~ Fax 310-477-8152

**INDEPENDENT AUDITOR'S REPORT
ON THE SCHEDULE OF OPERATING EXPENSES**

Board of Directors
Plan B Investments, Inc.
Burbank, California

My audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The attached schedule of operating expenses for the year ended December 31, 2007 is presented for purposes of additional information and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements as a whole.



Joseph Yafeh, CPA

Los Angeles, California
February 12, 2008

PLAN B INVESTMENTS, INC.
SCHEDULE OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2007

Advertising/Promotions	\$ 3,867
Auto Expense	4,974
Bank Service Charges	157
Consulting Fees	2,251
Depreciation	2,407
Dues and Subscriptions	1,726
Insurance	3,831
Leased Equipment	3,058
License & Permits	2,903
Office Supplies & Expenses	5,028
Payroll Expense	18,546
Payroll Tax Expense	1,221
Postage & Delivery	1,723
Professional Fees	7,833
Regulatory Fees	100
Rent	26,961
Telephone	7,209
Travel & Entertainment	4,197
Miscellaneous	<u>158</u>
Total Expenses	<u>\$ 98,150</u>

See Accompanying Notes to Financial Statements

PART II

PLAN B INVESTMENTS, INC.

STATEMENT OF INTERNAL CONTROL

DECEMBER 31, 2007

Joseph Yafeh CPA, Inc.

A Professional Accounting Corporation
11300 W. Olympic Blvd., Suite 875
Los Angeles CA 90064
310-477-8150 ~ Fax 310-477-8152

**REPORT OF INDEPENDENT AUDITOR
ON INTERNAL ACCOUNTING CONTROL REQUIRED BY SEC Rule 17a-5**

Board of Directors
Plan B Investments, Inc.
Burbank, California

In planning and performing my audit of the financial statements and supplemental schedules of Plan B Investments, Inc. (the "Company") for the year ended December 31, 2007, I considered its internal control, including control activities for safeguarding securities, in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), I have made a study of the practices and procedures followed by the Company including tests of such practices and procedures that I considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under Rule 17a-3 (a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, I did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons
2. Recordation of differences required by Rule 17a-13
3. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board Governors of the Federal Reserve System

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide

Board of Directors
Plan B Investments, Inc.
Burbank, California

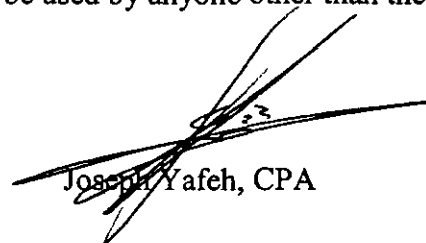
management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control or the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

My consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, I noted no matters involving internal control, including control activities for safeguarding securities that I consider to be material weaknesses as defined above.

I understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on my study, I believe that the Company's practices and procedures were adequate at December 31, 2007 to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, FINRA, and other regulatory agencies that rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.



Joseph Yafeh, CPA

Los Angeles, California
February 12, 2008